

LOK SABHA
STARRED QUESTION NO. 579
TO BE ANSWERED ON APRIL 06, 2018

HIGHER ECONOMIC GROWTH RATE

*579. PROF. SADHU SINGH:

Will the Minister of FINANCE be pleased to state:

- (a) whether attaining higher economic growth rate on a sustained basis is not guaranteed in the absence of an effective structural reform in the country;
- (b) if so, the details thereof;
- (c) whether sustaining a higher growth rate will require contribution from all domestic sectors and support from the global economy and if so, the details thereof; and
- (d) the measures taken/proposed to be taken by the Government in this regard?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON. RADHAKRISHNAN)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO THE LOK SABHA
STARRED QUESTION NO. 579 BY SHRI SADHU SINGH
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(a), (b) & (c): Attaining and sustaining high economic growth depends on number of factors viz. structural, external, fiscal and monetary factors as well as the reform measures undertaken. However, there is no one to one correspondence of economic growth to each one of these factors. For example, during 2012-13 to 2015-16, India's growth accelerated when growth of the global economy was generally subdued. The average growth of Gross Domestic Product (GDP) at constant market prices of Indian economy in last 4 years (2014-15 to 2017-18) is estimated to be 7.3 per cent, which is among the higher in the world. Economic Survey 2017-18 indicated the growth of GDP in 2018-19 could be in the range of 7.0 to 7.5 per cent, with higher global growth along with the reforms undertaken by the Government contributing towards the growth of economy.

(d): The agenda of promoting economic growth has received the utmost priority of the Government of India. The Government has launched a phased program for bank recapitalization. This entails infusion of capital to the public sector banks, which is expected to encourage banks to enhance lending. The Insolvency and Bankruptcy Code was enacted to achieve insolvency resolution in a time bound manner. To implement the Code, the National Company Law Tribunal was established. The introduction of the Goods and Services Tax (GST) has provided a significant opportunity to improve growth momentum by reducing barriers to trade, business and related economic activities. Other measures include improving delivery of services through help of technology via initiatives like Jan Dhan-Aadhar-Mobile (JAM) and Direct Benefit Transfers (DBT). During 2017-18, Rs. 1.89 lakh crore were transferred to the DBT beneficiaries under a number of Government programmes. The Government of India has taken various other initiatives to boost the growth of the economy which, *inter-alia*, include; fillip to manufacturing by initiating programmes like Make in India, concrete measures for transport and power sectors as well as other urban and rural infrastructure, comprehensive reforms in the foreign direct investment policy, special package for textile industry, push to infrastructure development by giving infrastructure status to affordable housing and focus on coastal connectivity. For highways development the Bharatmala Pariyojana has been launched. Budget 2018-19 included various measures to provide a push to the economy, which among others, include major push to infrastructure via higher allocation to rail & road sector, reduced corporate tax rate of 25 per cent for companies with turnover up to Rs. 250 crore which is expected to help 99 per cent of MSMEs, etc.
